GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4938
ANSWERED ON:24.04.2003
INCREASE IN FUEL COST
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government are aware that fuel cost increases of 30% will seriously affect the industries and travel industry as reported in `Economic Times` dated March 27, 2003; and

(b) if so, the corrective steps taken/proposed to be taken by the Government?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATRUAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b) : With the dismantling of Administered Pricing Mechanism (APM) in the petroleum sector effective 1st April 2002, the pricing of all petroleum products, except for PDS Kerosene and domestic LPG, has been decontrolled. The oil marketing companies are now fixing the prices of petroleum products after taking into account the prevalent international oil prices. Thus, the variations in the international oil prices are likely to be reflected in the domestic prices of petroleum products.

Taking into account the softening of international oil prices, the oil companies have reduced the selling prices of petroleum products during April 2003. A comparison of the selling prices of some petroleum products in Mumbai as on 16.4.2003 with the position on 16.3.2003 is given below:

(Rs./Litre)

Price as on	Petrol	Diesel	Naphtha	Furnace Oil (Rs./kg)
16.04.2003	37.52	26.70	18.87	13.50
16.03.2003	38.59	27.88	26.29	16.01